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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

STATEMENT BY BILL MCMILLAN ASSISTANT SECRETARY, UNITED STATES DEPARTMENT OF AGRICULTURE BEFORE THE SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT SCIENCE AND TECHNOLOGY COMMITTEE UNITED STATES HOUSE OF REPRESENTATIVES APRIL 14, 1981

Mr. Chairman, I am Bill McMillan, Assistant Secretary of Agriculture for Marketing and Transportation Services. We are very pleased to have the opportunity to appear before your subcommittee to discuss the issue of sodium labeling of meat and poultry products. Accompanying me today is Dr. Donald Houston, Administrator of the Food Safety and Quality Service. Also with us are several of our staff scientists who will be available to add their expertise to these proceedings and answer any questions you may have.

My statement will deal with the sodium labeling question from the public policy standpoint. First, I will briefly review the Congressional mandate that created USDA's nutrition research and education activities. Second, I will touch on the scientific findings about dietary sodium about which you heard so much expert testimony yesterday. Third, I will explain current FSQS policy on sodium labeling of meat and poultry products. And finally, and most important, I want to discuss what approach FSQS will take in the future to help people who want to reduce their sodium intake.

I would like to say at the outset that USDA has had a long and distinguished tradition in nutrition research and education. The Department of Agriculture was the first scientific organization in the United States to establish a research program on food and human nutrition and to make the results of that work available to the people so that they, in turn, could make informed food choices.

Legislative authority for these activities derives from the general charge of Congress when the Department was established on May 15, 1862. Congress directed that the new cabinet agency should "acquire and diffuse among the people of the United States useful information

on subjects connected with agriculture in the most general and comprehensive sense of that word." In 1893, the Department's charge was made more specific. Congress appropriated the first money to a Federal agency for studies in human nutrition. Congress reaffirmed the Department's authority in the Agricultural Marketing Act of 1946 and the Food and Agriculture Act of 1977.

As a result of its commitment to nutrition research and education, USDA maintains a high level of interest in any findings about the relationship between good nutrition and the promotion of health and prevention or reduction of serious diseases, some of which, like hypertension, have become major threats to millions of Americans.

It is estimated that the average total daily intake of sodium in the U.S. approaches 5,000 milligrams per day, and that far exceeds the body's physiological needs. We also are aware that there is general agreement among physicians, scientists and nutritionists that there is a link between sodium consumption and the development of hypertension.

Salt, however, has been used as a flavoring and preservative since time immemorial. Sodium chloride or table salt is one of the most widely used food ingredients, but it is only one of many ways in which sodium is added to foods. When I speak of "salt" in the remainder of my statement, I will mean, sodium chloride. The role of sodium in hypertensive disease did not receive a great deal of attention until as late as the 1940's. In recent years, scientific studies have begun to highlight the possible problems associated with excessive sodium intake. At the same time, America's food supply has become increasingly complex as growing numbers of processed and substitute foods have entered the marketplace. Scientific and medical concern about sodium in the diet has focused consumer interest on the salt and sodium content of foods, particularly processed products. As public concern about dietary sodium has increased, the need and desire for labeling information on the sodium content of foods has also grown.

Compared to fresh meat and poultry, processed products containing meat and poultry are a major source of sodium in the American diet. Americans annually consume at least 17 billion pounds of meat and poultry products processed with added salt. Although there is no average figure available, it is estimated that processed meat products

contain between 1.1 and 1.3 percent sodium (1100-1300 mg. per 100 grams). There are over 800 kinds of processed meat and poultry products sold in this country, and salt is an important ingredient and key functional component in many of these products.

Salt has historically been an important tool for survival. In the early days of this country, settlers typically slaughtered swine in the winter, and the parts were rubbed heavily with salt then hung outside where the cooler temperatures prevented spoilage. As the salt penetrated the meat, it created an environment which prevented the growth of spoilage organisms. This practice provided our forefathers with salt-cured pork for many of the warmer months.

Today, salt still is used as a preservative or curing agent which helps inhibit the growth of undesirable microorganisms, aids in the emulsification of fat in sausages and aids in forming an edible or "skinless" casing for sausages. Salt brine solutions of various strengths are used in making sausage to dissolve the different muscle proteins in the meat. This dissolved protein forms a binding solution, which combines the meat, moisture, and fat into a desirable gel texture. So you can understand that the use of salt in meat and poultry products is an important issue for the Department, the industry and millions of Americans who purchase these products.

Under the Federal Meat and Poultry Products Inspection Acts and the related inspection regulations, the Food Safety and Quality Service conducts a program requiring approval of all labels and other labeling used on Federally inspected meat and poultry products prior to marketing. USDA also buys and distributes about 20 percent of the foods used in school lunch programs. The Department draws up its own specifications for each of the foods it buys and in the past several years, has taken actions to reduce the salt content in some commodities used in the school lunch program.

The current FSQS sodium labeling policy is voluntary except when a product is represented as having a special dietary use, such as reduced sodium and/or salt content. In these cases, sodium content declarations are mandatory. If a processor elects to provide sodium content information, this information may appear exclusive of complete nutrition labeling. If, however, the sodium content is declared in conjunction with nutrition labeling, this information should appear on

the nutrition panel immediately following the fat content. Meat and poultry products may also use labeling phrases that indicate one product's sodium content is different from similar items.

There are three broad categories of sodium labeling claims that are approved for use on meat and poultry products. These claims indicate that a product is processed without added salt, that a product is low in sodium or that it has reduced sodium content.

Claims that a product was processed without the addition of salt are designed to alert consumers to the absence of common table salt (sodium- chloride) in the product formulation. Such claims do not denote the absence of other sodium salts. Products bearing this type of sodium labeling may not include salt or any ingredients which contain salt, such as hydrolized vegetable protein or cheese. Claims such as "no salt added", "processed without added salt", "not salted", "only natural sodium" and "unsalted" would fall in this category.

The claim "salt free" is not permitted on meat and poultry product labels. On products that are processed without added salt, such a claim might imply to consumers that the product is actually sodium free. Since sodium is ubiquitous in the environment, there are probably no foods which are absolutely sodium free.

Low sodium claims have been accepted provided that a product's sodium content is no more than 30-35 milligrams per 100 grams. This policy precludes many meat and poultry products from claiming to be low sodium foods, and affects not only processed meats which may contain very high levels of added sodium compounds, but also raw meat and poultry, which contain 65-75 milligrams of sodium per 100 grams. Low sodium labeling claims are primarily used on products such as chili with beans, stew, soup and other items where meat is not the product's primary ingredient.

Claims for reduced sodium have been accepted when sufficient information to justify such labeling is provided along with the label approval application. FSQS has considered a reduction of at least one-third of a product's usual sodium content as evidence to support a reduced sodium claim. If a reduction of this proportion is not achieved, a comparative statement may be acceptable in lieu of a reduced sodium claim. Such a statement could read "contains X% less sodium than our regular product." This declaration must be accompanied by a label

explanation comparing the amount of sodium in both products.

All three types of sodium claims appear on products for a special dietary use--regulating the intake of sodium and salt. Thus, all these claims must be accompanied by a declaration of the product's sodium content, but, as I mentioned, complete nutrition labeling is not required. The regulations require sodium content be declared in milligrams per serving and milligrams per 100 grams.

The labeled amount of sodium is based on the highest of three laboratory analyses, rounded to the nearest 5 milligrams. If a product contains less than 10 milligrams of sodium per 100 grams per serving, a label may state this. A company must have an FSQS-approved quality assurance program before labels bearing approved sodium information can be used.

The policies now being used to evaluate the appropriateness of sodium claims on meat and poultry product labels are designed to ensure that these claims are not misleading. As FSQS and FDA work toward encouraging meaningful label declarations about sodium content, we expect that these policies may be refined to reflect currently available information and concerns of the public and the scientific community.

The commodities that FSQS purchases for the school lunch program amount to more than a billion pounds of food annually. The Department has tried to reduce the fat, sugar and salt content of many products it purchases. USDA's specification for canned beef, canned pork and poultry limits the amount of salt that may be added to not more than 1 percent. A few years ago, up to 1.3 percent was allowed. The Department is looking at other products to see if we can further reduce the amount of added salt.

In addition to our efforts to reduce salt in foods used in the school lunch program, the Department also requires some processed meat and poultry products it purchases to bear complete ingredient information, including the percentage of added salt. This initiative began in 1977 with the labeling of frozen turkey rolls. Since then this requirement has been extended to other fabricated meat and poultry products, such as canned beef, canned pork and breaded, cooked chicken.

The meat and poultry industry is becoming more and more aware that American consumers are concerned about the issue of sodium

labeling. This fact is borne out in looking at the increasing number of companies that provide sodium labeling on their products.

In 1972, the first year that an accurate record was maintained, there were 27 meat and poultry products that carried approved sodium labeling. By 1976, that number had jumped to 482. Our most recent information shows that FSQS has approved 1600 meat and poultry labels containing sodium content or claims. Of those 1600 labels, 52 percent are presented with a nutrition information panel; the rest appear alone. Our review of what foods are most likely to bear sodium information concluded that strained and junior baby foods, toddler foods and soups carry this information most often. Thirty companies now provide some type of sodium labeling on their products. Sodium information appears on the labels of at least some beef, pork and poultry products.

The Department has always worked closely with industry on labeling issues. The public demand that more products bear quantitative sodium content declarations is growing. To meet this demand, USDA and industry are going to have to do even more than what we're doing now. That does not mean, however, that we believe mandatory sodium labeling requirements for all products are the best or only answer.

In November 1980, the American people gave President Reagan a clear mandate to reduce government interference in their lives and to cut down the overwhelming number of Federal regulations. Americans no longer believe that the Federal government has all the answers. Agriculture Secretary John Block and I are committed to reducing the burden that government regulations impose on industry. We share the President's belief that mandatory government regulations are in some cases unnecessary, excessively costly and unduly burdensome.

In the case of mandatory sodium labeling requirements, the costs to both industry and government for ensuring compliance have to be carefully considered. We estimate that a one-time change in all meat and poultry labels would cost industry about \$150 million. This does not include costs associated with laboratory testing or quality assurance programs. Mandatory sodium labeling also could impose a heavy burden on small meat and poultry plants as they may lack the range of expertise necessary to meet these added requirements. While some proponents of mandatory labeling propose using standard sodium

values, such an approach is not feasible at this time. Not only can the sodium content of an individual product vary, but also there is great variability among the thousands of processed products.

There also is a question about whether the Department has authority to require sodium labeling on all meat and poultry products. While such authority may be implicit in the meat and poultry inspection acts, these laws do not specifically authorize the Department to impose such a requirement. We would be very hesitant to take action to require mandatory sodium labeling without clear statutory authority for both USDA and FDA covering the labeling of all food products.

All this does not mean that USDA does not intend to increase its attention to the vital issue of sodium labeling for meat and poultry products. We believe, however, that voluntary labeling programs, increasing cooperation with industry, monitoring sodium levels in meat and poultry products and more information for consumers are the best ways to approach the problem.

The Department needs to reassess its labeling programs and research activities in an effort to find even more effective ways of dealing with the sodium problem. USDA will be actively encouraging industry to broaden the use of sodium labeling declarations and to process and market a greater variety of low and reduced sodium foods. Toward that goal, FSQS already has notified industry that the agency wants to cooperate in developing new label formats. In one case, we have allowed sodium information accompanying a nutrition label to be presented on a per serving basis only. This approach is also being considered by FDA. In an effort to promote further nutrition education and consumer information, FSQS and FDA have worked with retail chains to develop in-store nutrition information programs.

The Department will also encourage industry to reduce the sodium content of meat and poultry products and to find safe alternatives to sodium. USDA will be monitoring sodium levels in meat and poultry products. If this does not result in some reductions, FSQS may take other actions in the future. The meat industry already is looking at ways to reduce sodium-containing compounds in processed meats. Reducing the amount of these compounds is complicated, because, as I said, they serve important functions in addition to flavor.

Meat scientists at the University of Nebraska have recently reported results of studies to reduce the use of salt in bologna by partially replacing it with other salts -- potassium chloride or magnesium chloride. They report that a one-half reduction in sodium resulted in a bologna product that was as acceptable to consumers as regular bologna. A reduction of sodium to one-third the normal level, however, adversely affected flavor. The Nebraska research did not include any evaluation of the microbiological safety of the reduced-sodium products.

The American Meat Institute also is funding two scientific projects on the potential for reducing the sodium level in processed meat products. One project at Colorado State University will evaluate the potential for reducing sodium in cooked sausages, and scientists at Iowa State University will be evaluating reduced sodium in pickle cured meats. According to AMI, the studies' primary objective will be to determine what effect reducing or replacing sodium will have on the functions that salt has in processed meats.

The Department believes studies like these are evidence that industry is, and will continue to be, concerned about reducing sodium in meat and poultry products. We intend to do everything we can to support their initiative and to encourage further studies. In that regard, I have instructed FSQS officials to place sodium replacement research high on the priority list of those research needs that the Department's Science and Education Administration is considering. I am confident we will see increased activity in that area.

Another key component of our efforts is to provide information to the public through our historically effective education programs. Practical materials are available for use by teachers, extension workers, the general public and other government agencies telling the facts about sodium in the diet. We feel that such educational materials are vital for adequately informing the public about dietary sodium. As I stated in the beginning of my testimony, Congress, since 1862, has directed USDA to educate the public about nutrition, and we believe it is imperative to inform American consumers about the potential problem that excessive sodium intake poses to their health. We shall do this by encouraging all Americans to practice good dietary habits and by supplying factual and responsible scientific information to all members

of our society.

Mr. Chairman, this concludes my prepared testimony. We will be happy to answer any questions.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

WILLIAM LESHER SWORN IN AS ASSISTANT SECRETARY OF AGRICULTURE FOR ECONOMICS

WASHINGTON, April 10--William Gene Lesher was sworn in as assistant secretary of agriculture for economics today by Secretary of Agriculture John R. Block. Lesher was nominated for the position Feb. 11 and confirmed by the U.S. Senate April 8.

Lesher had been chief economist for the U.S. Senate committee on agriculture, nutrition and forestry since August 1980.

A native of Logansport, Ind., Lesher was born March 21, 1946, and spent his early years on the family farm in Royal Center, Ind. He received his bachelors degree in agronomy from Purdue University, W. Lafayette, Ind., in 1968; his masters degree from Oregon State University, Corvallis, in 1970; and his doctorate in public policy analysis from Cornell University, Ithaca, N.Y., in 1977.

From 1968 to 1970, Lesher was a National Defense Education Act fellow at Oregon State University's Department of Agricultural Economics and then served in the U.S. Army until 1972.

From 1972 to 1977, he did research and taught at Cornell University's Department of Agricultural Economics, becoming an acting assistant professor in 1976.

In 1977, he became an agricultural legislative assistant for U.S. Senator Richard G. Lugar (R-Ind.). He accepted a post as economist for the U.S. Senate committee on agriculture, nutrition and forestry in 1978 and became chief economist in 1980.

Lesher is the author or co-author of numerous economic publications.

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GEORGE STEELE APPOINTED TO SERVE ON FEDERAL FARM CREDIT BOARD

WASHINGTON, April 10--Secretary of Agriculture John R. Block today announced the appointment of George Steele, Pennsylvania dairyman and leader in the agricultural cooperative movement, to serve as his representative on the Federal Farm Credit Board.

Steele is president of George Steele and Sons, Inc., a family dairy farm of 100 milking cows and 100 young stock. He operates the farm in conjunction with two sons, James and Richard.

Steele has wide experience in the Farm Credit System, currently serving in his seventh consecutive term as a director of the Baltimore district board.

Recognized as a cooperative leader, Steele currently is chairman of the board and president of Agway Inc., a Syracuse, N.Y.-based, 123,000-member purchasing and marketing farmer cooperative with annual sales of over \$2 billion.

The 13-member Federal Farm Credit Board is the policy making body for the Farm Credit Administration. Members serve part-time; 12 are appointed by the U.S. president for 6-year terms. The 13th member is appointed by the secretary of agriculture.

The Farm Credit System is comprised of federal land banks and federal land bank associations, federal intermediate credit banks and production credit associations and banks for cooperatives.

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SEELEY LODWICK SWORN IN AS UNDER SECRETARY OF AGRICULTURE

WASHINGTON, April 10--Seeley G. Lodwick, former Iowa farmer, agricultural consultant and legislator, who has extensive experience in managing government farm programs, was sworn in today by Secretary of Agriculture John R. Block to serve as under secretary for

international affairs and commodity programs.

Lodwick was nominated for the position Feb. 4 and confirmed by the U.S. Senate April 8.

Lodwick will head up the U.S. Department of Agriculture programs relating to farm exports, which are estimated to reach a record \$47 billion in 1981, with a favorable balance of agricultural trade of \$29 billion. Lodwick will also supervise government farm programs through the Agricultural Stabilization and Conservation Service, and will direct Federal Crop Insurance Corporation programs. He will also head up the work done by the Office of International Cooperation and Development.

During the last two years, Lodwick has served as Iowa administrator for U.S. Senator Roger W. Jepsen (R-Iowa), while managing a family-owned corn and soybean farm in southeast Iowa. During the presidential campaign in 1980, Lodwick directed the farm and food division for the Reagan-Bush Committee.

From 1973 to 1976, Lodwick was director of government relations for the American Farm Bureau Federation. He then served as associate administrator of the Agricultural Stabilization and Conservation Service.

Prior to coming to Washington, Lodwick was an Iowa state senator, a farmer and a farm manager.

Lodwick earned a degree in agricultural economics from Iowa State University in 1942, and then served with the First Marine Division during World War II.

He was born in Evanston, Ill., Oct. 19, 1920, and is married to Helen (Pat) Barbre. They have three daughters.

Lodwick is a member of the Food and Agriculture Committee of the U.S. Chamber of Commerce, Commodity Club of Washington, D.C., American Society of Farm Managers and Rural Appraisers, American Agricultural Economics Association, National Economics Club, Soil Conservation Society of America, the Iowa Farm Bureau Federation and the American Soybean Association.

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1980 WOOL PAYMENTS ESTIMATED AT \$36 BILLION

WASHINGTON, April 10--Sheep producers will receive about \$36 million in federal incentive payments on the wool they sold in 1980, a U.S. Department of Agriculture official said today. This compares with \$32 million paid last year on 1979 marketings.

Edward Hews, acting administrator of USDA's Agricultural Stabilization and Conservation Service, said the current shorn wool support price is \$1.23 per pound but the 1980 national average market price for shorn wool was 88.1 cents a pound, a difference of 34.9 cents.

Dividing the difference (34.9 cents) by the average market price (88.1 cents) results in a 1980 payment rate of 39.6 percent, compared with a payment rate of 33.3 percent in 1979, Hews said. The payment rate is the amount required to bring the average market price up to the support price.

Hews said the wool program encourages the production of higher quality wool because the more producers receive from sales, the more they receive in government incentive payments. Producer payments are determined by multiplying the payment rate (39.6 percent) times the net dollar return received from wool sales.

Hews also said producers will receive \$1.40 per hundredweight in federal payments for unshorn lambs they sold or slaughtered in 1980. This payment is to compensate growers for wool on live lambs they marketed, he said.

The payment is based on the shorn wool payment rate, the average weight of wool per hundredweight of lambs and the price of lamb's wool relative to the national average price for shorn wool.

Incentive payment checks are prepared by USDA's Kansas City commodity office. When payments are computed, the office withholds 2-1/2 cents a pound from wool payments and 12-1/2 cents per hundredweight from lamb payments. This money later is forwarded to the American Sheep Producers' Council to finance advertising, sales promotion and related market development activities.

These deductions were approved by a 75.3 percent favorable vote by sheep producers voting in an August 1978 referendum.

USDA will not make incentive payments on mohair sold in 1980 because the average market price of \$3.50 a pound was above the announced support level of \$2.903 a pound.

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USDA OFFICIAL SEES SHORTAGE OF HOME ECONOMICS PROFESSIONALS IN THE 80's

WASHINGTON, April 14--Jobs for college graduates trained in home economics will be more plentiful than qualified applicants throughout the 1980's, a U.S. Department of Agriculture official said today.

"More home economics graduates will be needed to achieve progress in family and individual stability, security and quality of life," said Anson R. Bertrand, USDA director of science and education. "We foresee an annual shortage of about 7,000 individuals with home economics or home economics-related degrees.

"This shortage also will affect the growth of household-oriented businesses and industries," he said.

Bertrand based his forecast on a study prepared by USDA's Science and Education Administration. He said the study projects the most critical need for graduates with doctoral degrees.

Educational backgrounds especially needed at the doctoral level are in design, manufacturing and processing; college teaching and administration; scientific and professional specialties; service specialties; and administration and management.

Bertrand said the study--the second in a series--was made in response to the Food and Agriculture Act of 1977, which directs USDA to assess the need for research, extension, teaching and professional development in the food and agricultural sciences.

The first study, issued in July 1980, reported on the need for graduates in agriculture, natural resources and veterinary medicine.

Information on the supply of higher education graduates came mainly from surveys made by the National Center for Education Statistics, U.S. Department of Education. Some data were acquired from the education department's office of consumer and home economics education and from the Association of Administrators of Home Economics.

Statistics on occupational employment demand came from the U.S. Department of Labor's Bureau of Labor Statistics, from a USDA-funded study by Clemson University and from USDA data.

In preparing the study, the Science and Education Administration

enlisted the aid of consultants from the Association of Administrators of Home Economics, the National Council of Administrators of Home Economics and the American Home Economics Association.

#

NEW PLANT GERMLASM REPOSITORY HELPS ASSURE FOOD SUPPLY, SAYS BLOCK

WASHINGTON, April 15--The first U.S. Department of Agriculture facility in a nationally coordinated system that will provide a major source of germplasm needed to develop improved varieties of fruit and nut plants that must be propagated vegetatively was dedicated today at Corvallis, Ore.

"Today's dedication of the Northwest Plant Germplasm Repository at Corvallis is another milestone toward assuring an adequate food supply for present and future generations.

"Higher yielding crop plants are one of our best hopes for meeting the food needs of a growing world population," Secretary of Agriculture John R. Block said.

The building is a white, ultramodern, 40,000 square foot (3,717 square meters) facility sitting on 3.79 acres (1.54 hectares). It has six greenhouses, in which most plant materials will be grown with the exception of pears and filberts, which will be grown outside.

Germplasm is the hereditary materials scientists use to breed superior plants. These efforts result in new varieties that resist insects and diseases, are more tolerant of adverse environmental stresses and have other traits conducive to sustained high yields.

The germplasm, often whole plants, will be made available to agricultural scientists doing research for the USDA, state agricultural experiment stations and industry throughout the country.

To the extent possible, Block said, germplasm materials also will be made available to researchers and plant breeders in other countries.

"Much valuable germplasm has been lost," Block said, "because there was no nationally coordinated system for preserving breeding materials. The national repository system will help remove some of the pressures of budget reductions or major program redirection decisions

that from time to time may affect any one agency or institution involved in plant breeding.”

The clonal germplasm repository system will, when completed, consist of 12 facilities throughout the country. Block said locations will be selected to provide the full range of climatic requirements of the plants to be included in the repository collections.

The National Plant Germplasm Committee planned and designed the repository system. The committee includes representatives of USDA's Science and Education Administration, state agricultural experiment stations and industry.

A national system already is in place to preserve germplasm of plants propagated from seed. It consists of USDA's four regional plant introduction and testing stations and the national seed storage laboratory.

Germplasm collections in the form of seeds now includes more than 400,000 samples. Block said the national fruit and nut germplasm repositories represent a major expansion of the germplasm preservation system and are designed to do the same thing for plants propagated vegetatively.

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USDA ANNOUNCES 1982-CROP WHEAT MARKETING QUOTA OF 2.459 BILLION BUSHELS

WASHINGTON, April 15--A 1982 national wheat marketing quota of 2.459 billion bushels was announced today by Secretary of Agriculture John R. Block.

The announcement is required under permanent legislation which has been suspended through the 1981 crop by the Food and Agriculture Act of 1977. Block said Congress may pass a new law to once again suspend the permanent legislation, in which case today's announcement will be rendered moot.

To become effective, marketing quotas must be approved by two-thirds of the producers voting in a referendum held not later than Aug. 1. If approved, quotas would limit the quantity of wheat which a producer could market without penalty. The date for this referendum

will be announced later, if necessary.

The U.S. Department of Agriculture is required to announce a national wheat marketing quota whenever it is determined, based on a formula in the Agricultural Adjustment Act of 1938, that--in the absence of quotas--the supply of wheat would be in excess of demand. Block said USDA has made such determination for the 1982 wheat crop.

Block said no further announcement is being made now on other marketing quota aspects of the 1982 wheat program because the expected new legislation would make these announcements unnecessary. If it becomes necessary to make further program announcements concerning marketing quotas for the 1982 crop, they will be made before the referendum is held and will include:

- the national wheat acreage allotment;
- apportionment of the national wheat acreage allotment to the states; and
- designation of commercial wheat-producing areas.

In 1977, a similar situation arose and a 1978 national wheat marketing quota was announced, but the required referendum was postponed by special legislation. The Food (and Agriculture Act of 1977, enacted Sept. 29, 1977, suspended marketing quotas through the 1981 crop.

#

INCREASED PEANUT IMPORT QUOTA MAY LESSEN PRESSURE ON CONSUMER PRICES

WASHINGTON, April 15--President Reagan's action yesterday to increase the temporary authorization for additional peanuts during the marketing year ending July 31 will help insure the needs of the food industry can be met until new supplies are available from this year's harvest, according to Secretary of Agriculture John R. Block.

Block said Reagan's proclamation to temporarily raise the peanut import quota for 1981 from 200 million to 300 million pounds, shelled basis, was taken on the basis of an International Trade Commission recommendation.

In order to ensure greater supplies of peanuts for the domestic market this year, the regular annual peanut import quota of 1,709,000 pounds was relaxed last December, allowing for additional imports of 200 million pounds, Block said.

Block said the increased import authorization would not cause interference with the domestic price support program because the special quota will expire before the new crop comes on the market and current high prices will discourage stockpiling of these imported peanuts.

Foreign supplies of exportable peanuts remain relatively limited, he said. Normally, the United States is the world's largest peanut exporter.

Any peanuts imported under the special quota must meet U.S. grade and sanitary standards and are subject to inspection at ports of entry, Block said.

#

USDA URGES PRODUCERS TO HELP HALT THE SPREAD OF PSEUDORABIES

WASHINGTON, April 16--U.S. Department of Agriculture veterinary officials are urging producers to help halt the spread of pseudorabies by properly disposing of animals that have died from the disease.

Pseudorabies is a herpes virus disease of swine that also affects cattle, dogs, cats and some wild animals such as skunks and raccoons. In swine, death rates decrease from almost 100 percent in newborn pigs to just a few deaths in older hogs. In other species, the disease is most often fatal and is one of the cruelest deaths an animal can suffer.

"An increasing number of states reporting confirmed cases of pseudorabies in swine are also reporting increases in the number of cattle deaths due to the disease," said James Downard, senior staff veterinarian for swine diseases of USDA's Animal and Plant Health Inspection Service.

"Improper disposal of dead baby pigs during an outbreak has caused the death of cattle and dogs on a number of farms," Downard said. "Too often, dead pigs have been dumped into the manure spreader and

disposed of in the manure spread on nearby pasture or cropland."

Dead animals should be sent to rendering plants, incinerated or buried properly. Dogs and wild animals can dig up a carcass if it is not buried deep enough, he said.

During 1980, Downard said, there were 1,217 laboratory confirmed cases of the disease in 24 states. "However, tissues or serum from many clinically diagnosed cases are not submitted for laboratory confirmation," he said.

Over 80 percent of the cases reported in 1980 came from six states-Iowa 534, Illinois 131, Nebraska 127, Missouri 79, Indiana 76 and Minnesota 69.

#

USDA CANCELS SETTLEMENT DATE FOR RESERVE CORN

WASHINGTON, April 16-Secretary of Agriculture John R. Block said today he is "helping move agriculture closer to the market-oriented goals of the administration's proposed farm bill" by granting farmers an indefinite extension on repaying their reserve corn loans.

Under Block's action, farmers who previously had until May 15 to repay loans on reserve corn can continue the loans at the same 15.25 percent interest rate.

"Farmers will immediately feel some benefits that go along with the market-oriented objectives that are woven into the administration's farm bill," Block said.

"With this action," he said, "farmers can make their own marketing decisions on farmer-owned reserve corn. They should fare much better under this philosophy than they would under programs that have outlived their usefulness, such as target prices and deficiency payments."

Normally, when the market price for corn reaches a specified "call" level, farmers with grain under government reserve loans are notified that they have 90 days in which to either repay the loan or to turn the grain over to USDA.

Corn reserve loans were called effective Jan. 16, with the repayment date set for April 15. However, Block authorized a 30-day extension, with the stipulation that a 15.25 percent interest be charged effective April 15. Previously, reserve corn loans were interest-free.

Block said farmers will continue to be responsible for the condition and storage costs of their corn under loan.

#

ANOTHER KHAPRA BEETLE INFESTATION CONFIRMED BY USDA IN NEW JERSEY

WASHINGTON, April 16--Another infestation of khapra beetles--the world's most destructive pest of stored grains and cereal products--has been confirmed, this time at two military warehouses in Bayonne, N.J., according to an official of the U.S. Department of Agriculture.

"This infestation, which brings the total to 19 found during recent months, was found during continuing routine inspections at the Military Ocean Terminal warehouses," said Don Woodham, technical coordinator for USDA's Animal and Plant Health Inspection Service.

The empty warehouses, owned by the Department of the Army, are each about 2.5 million cubic feet. They are used primarily for "stripping" or cleaning military goods returning from countries in the Far East.

During stripping, equipment being shipped is inspected for the presence of any "hitchhiking" pest hazardous to the health of humans, animals or plants, Woodham said.

"The Army is considering fumigating the premises," he said.

Of the 18 confirmed khapra beetle infestations found during the ongoing APHIS khapra beetle program, 15 sites have been treated, one business is in the process of being treated with a high pressure insecticide spray, and two facilities have not yet been treated until a course of action is decided Woodham said.

"The three untreated businesses, in Lancaster, Pa, Brooklyn, N.Y., and in Mechanicsburg, Pa., all remain under strict quarantine," he said.

The khapra beetle, which is native to India, causes millions of dollars of damage to stored grains and cereal products annually world-

wide. It was first detected recently in a New Jersey spice company in October 1980.

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USDA PROPOSES CHANGES IN SHELL EGG GRADE STANDARDS

WASHINGTON, April 17--The U.S. Department of Agriculture is seeking comments until June 16 on a proposal to change grade standards for shell eggs.

"We evaluated how effective the present grade standards are in today's marketplace," said Donald L. Houston, administrator of USDA's Food Safety and Quality Service. "We found the standards for shell eggs need to be changed to reflect present technology in the industry, to make the grading system easier and to make the grade standards more uniform."

One of the changes would raise the maximum permissible percentage of "checks"--cracked shells--in shell eggs at retail stores.

"This change would merely align the tolerance for 'checks' to more accurately reflect what is already happening under today's egg production and marketing practices," Houston said. "Although 'checks' have cracked shells, the shell membranes are intact and the contents do not leak."

Another change would increase the minimum percent of "A" quality eggs required for eggs to be labeled "U.S. Grade A" at both shipping point and retail store. The percent would be true for "AA" grade at shipping point, but the percent would be adjusted downward at destination to reflect normal quality loss during marketing.

Other changes would eliminate the C quality classification for eggs, the Fresh Fancy quality and Grade A quality control programs, the two U.S. Procurement Grades and the three lower U.S. wholesale grades. "These five grades would be dropped because they're obsolete," Houston said.

The changes being proposed are basically the same as those proposed May 27, 1980, except USDA has decided not to eliminate U.S. Grade AA because of comments received, Houston said.

The proposal is scheduled to be published in the April 17 Federal Register, available in local libraries. Copies are being distributed to about 500 retail representatives, state and local agriculture and consumer affairs officials and consumer representatives as well as industry trade associations and packers operating under USDA's voluntary shell egg grading program.

Comments in duplicate may be sent until June 16 to Regulations Coordination Division, Attn: Annie Johnson, rm. 2637-S, Food Safety and Quality Service, USDA, Washington, D.C., 20250.

USDA's Food Safety and Quality Service establishes official grades and provides grading service for many food products under authority of the Agricultural Marketing Act of 1946. Use of the grading service is voluntary and is paid for by the user.

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